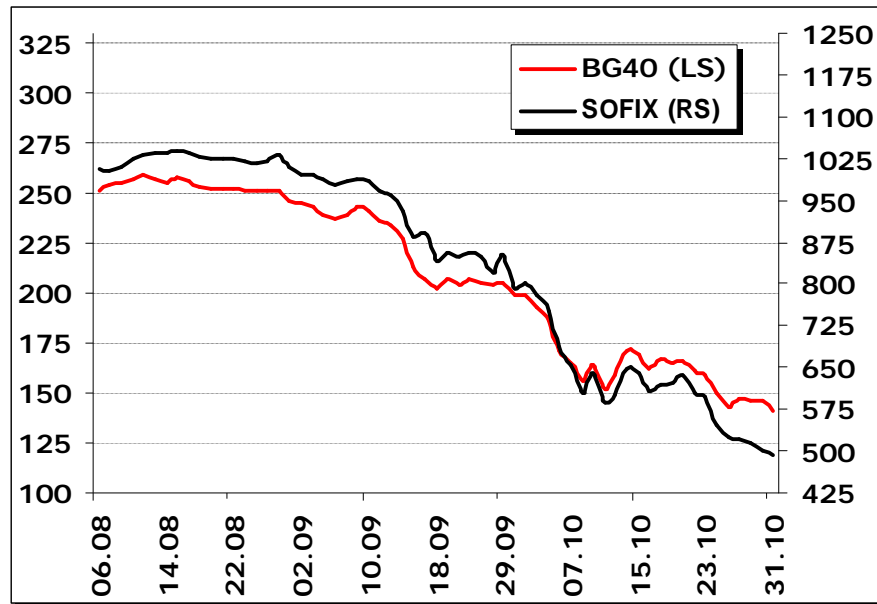
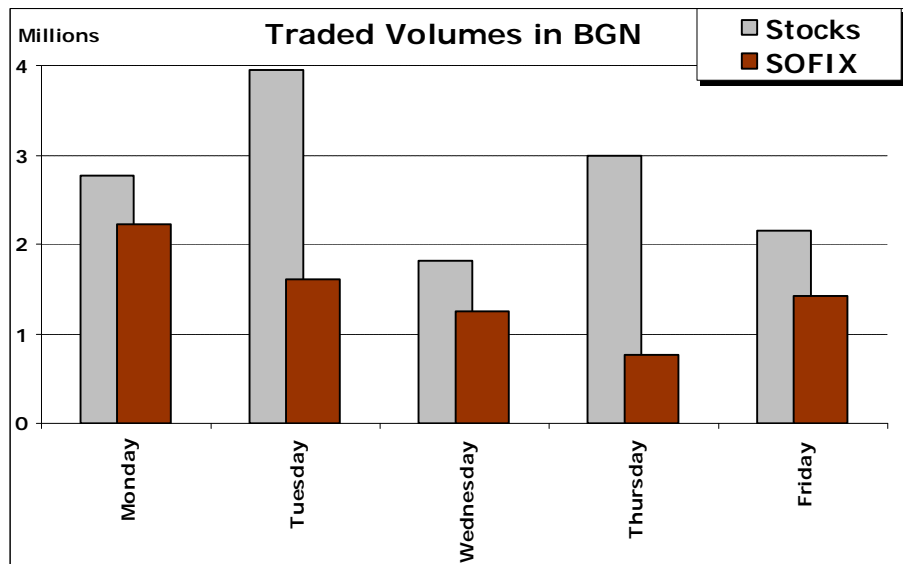


Market Trend



The Bulgarian market slumped on weekly basis. The main indices declined driven by most of their positions. The earning season couldn't move the investors to support the good reports. The consolidation of the international markets also didn't influence the Bulgarian market. The usual end of the month buying enthusiasm was missing. The new shares from the recent capital increase of Holding Roads (6H2) will be leaded for trading this week and will put additional pressure on the market.

Trading Activity



The overall activity stayed on the down side and most of the deals were for small amounts. Unusual higher volumes of the ship repair yard Odessos (5ODE) set up large part from the Thursday's turnover as totally 6 194 shares changed hands.

SOFIX

Stock	Last Price	Weekly Change	Bid	Ask
Albena	36.03	-8.75%	35.06	37.00
Bulgarian-American Credit Bank	18.166	-9.06%	18.01	19.00
Central Cooperative Bank	1.283	-31.06%	1.31	1.34
Chimimport	2.772	-20.64%	2.72	2.75
Corporate Commercial Bank	65.728	-6.10%	65.50	66.50
Elana Opportunity Land Fund	1.09	3.02%	1.07	1.12
Enemona	7.548	-6.28%	7.38	7.75
Euro Ins	3.081	-11.26%	3.05	3.14
First Investment Bank	3.823	4.28%	3.85	0.00
Holding Roads	7.997	-34.08%	7.96	7.99
Industrial Holding Bulgaria	2.916	-24.69%	2.93	2.94
Kaolin	4.022	-10.90%	3.98	4.00
Lead and Zink Complex	11.648	-18.16%	11.16	11.50
M+S Hydraulic	5.509	-3.49%	5.27	5.83
Monbat	6.008	-6.27%	5.95	6.00
Neochim	68.303	6.09%	68.50	69.00
Orgachim	95.867	-5.55%	94.00	98.89
Sopharma	2.16	-1.41%	2.12	2.24
Sparky Eltos	3.618	-8.57%	3.40	3.50
Toplivo	8.056	-11.58%	7.50	8.00

On Friday the main index closed below 500 points for the first time since 2004. Neochim (3NB) outperformed among SOFIX's components on weekly basis. The positive 3Q 2008 report didn't boost the position but limited the drop. The fertilizer producer announced another successful quarter in contrast to the seasonal maintenance during the previous several years. First Investment Bank (5F4) also closed in the green but the price stayed below the threshold of BGN 4.00. The 3Q net profit of the bank was almost unchanged on yearly basis, but P/E ratio remained among the lowest in the sector. On the other side was Central Cooperative Bank (4CF), which was one of the worst performers in SOFIX along with Holding Roads (6H2).

News

- **27 October 2008:** At extraordinary GMS the shareholders of Eurohold Bulgaria (4EH) decided to establish a subsidiary named Eurolease Holding B.V. in the Netherlands, which shall consolidate the leasing operations of Eurohold Bulgaria as the latter will transfer to it its shareholding of the capital of Eurolease Auto - Bulgaria, Eurolease Auto - Rumania and Eurolease Auto – Macedonia.
- **27 October 2008:** Monbat (5MB) announced its financial results for September. The sales amounted BGN 14.6 m, which is 14.43% up as compared to September 2007. The summarized data for the first nine months of 2008 showed solidly improve of 59.15% y-o-y to BGN 135 m. The net profit of the company for September is BGN 2.6 m and for the first nine months of 2008 is BGN 23.3 m or 87.33 % up as compared to the same period last year.
- **29 October 2008:** Trace Group Hold (T57) appointed an extraordinary GMS on January 08, 2009 with main item in the agenda buying back of up to 3% of its shares. The period will be maximum 5 years. Voting right will have all shareholders registered in the Central Depository by December 23, 2008.
- **29 October 2008:** Stara Planina Hold (6S7) successfully concluded the first procedure for redemption of 105 000 shares, representing 0.5% of its capital at average price BGN 2.34.
- **31 October 2008:** Blagoevgrad-BT (55B) has appointed an extraordinary GMS on December 17, 2008. Voting right will have all shareholders registered in the Central Depository by December 03, 2008.

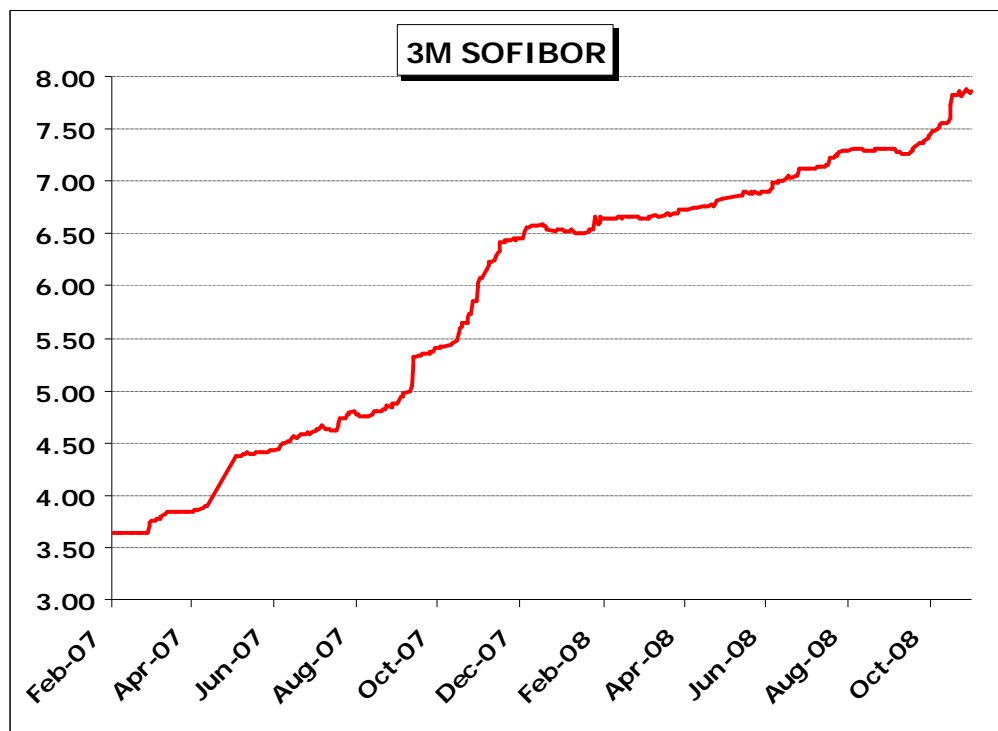
**Upcoming Events**

- **4 November 2008:** The new shares from the recent capital increase of Holding Roads (6H2) will be led for trading.
- **7 November 2008:** The trading with rights issued as part of the capital raise operation of Holding Varna (5V2) will continue until November, 7. The company plans to rise its capita through issuing of 3 136 364 shares with BGN 22.00 issue value.

**Macro-economy**

- The business inquires of the National Statistical (NSI) in October 2008 showed symptoms of deterioration of business situation in the country. In the period May - September the value of the total business climate indicator decreased average by one percentage point monthly. In October the indicator fell by 4.6 percentage points, which is the biggest monthly decrease in the last two years.
- 

**Bonds**



Source: Bloomberg

The overnight rate continued to move lower. However, the interest rates on 3 month deposits remained at its elevated levels. The expected rate cut in the Euro-zone could push down the interest but credit conditions remain tight. The market reaction on the interest rate decision should give some indication for the longer term deposits.

**WEEKLY HIGHLIGHTS**

**ALBENA /6AB/**



**SPARKY ELTOS /SL9/**



**KAOLIN /6K1/**



**NEOCHIM /3NB/**



**ODESSOS /5ODE/**



FINANCIAL SECTOR		Daily Average Price	Previous Close	Volume	Market Capitalization	Valuation Ratios (ttm)	
Company	Ticker	Price	Close			P/E	P/B
First Investment Bank	5F4	3.823	3.787	144616	420 530 000	8.29	1.16
Bulgarian American Credit Bank	5BN	18.166	18.5	5964	229 340 754	3.91	1.27
CB Economic & Investment Bank	5EC	110.34	110.34	0	769 296 659	21.34	3.77
Central Cooperative Bank	4CF	1.283	1.27	47731	106 687 983	5.97	0.35
Corporate Commercial Bank	6C9	65.728	65.5	823	394 368 000	11.23	1.87
DZI Insurance & Reinsurance	6D5	188	188	0.00	725 680 000	n/a	2.49
Bulstrad Insurance & Reinsurance	4BI	55	55	0.00	108 570 000	110.34	2.40
Insurance Company Euro Ins	5IC	3.081	3.34	1292	30 809 975	9.92	1.46
Chimimport	6C4	2.772	2.84	38362	415 799 956	3.33	0.60
Eurohold Bulgaria	4EH	2.221	2.298	35129	138 807 250	1.18	0.69

INDUSTRIAL SECTOR		Daily Average Price	Previous Close	Volume	Market Capitalization	Valuation Ratios (ttm)	
Company	Ticker	Price	Close			P/E	P/B
Monbat	5MB	6.008	6.025	47352	234 312 000	9.24	2.37
Bulgarian River Shipping	5BR	2.261	2	1219	65 475 564	12.81	1.53
Synergon Holding	6S7	2.758	2.712	21556	50 633 706	5.39	0.16
Industrial Holding Bulgaria	4ID	2.916	2.85	18139	127 594 633	9.55	0.65
Stara Planina Hold	5SR	2.051	2.099	22690	43 071 000	5.36	0.79
Odessos	5ODE	155.281	163.95	25	91 094 356	6.88	1.70
M+S Hydraulic	5MH	5.509	5.89	422	71 718 366	14.91	2.04
Albena Holding	5ALB	5.151	5.447	360	28 330 500	2.8	0.18
Moststroy	5MY	7.05	7.5	100	7 860 327	1.05	0.61
Doverie United Holding	5DOV	6.95	6.735	8433	91 391 444	7.51	0.67
Emka	57E	2.352	2.5	1030	25 290 793	10.99	1.40
Hydraulic Elements & Systems	4HE	5.3	5.053	400	16 071 148	5.72	0.71

BASIC MATERIALS SECTOR		Daily Average Price	Previous Close	Volume	Market Capitalization	Valuation Ratios (ttm)	
Company	Ticker	Price	Close			P/E	P/B
Druzha Staklarski Zavodi	4DR	4.998	4.997	127	33 434 431	1.19	0.20
Lead and Zink Complex	5OTZ	11.648	12.488	6992	97 998 817	68.39	1.41
Kaolin	6K1	4.022	4.1	4828	100 550 000	8.97	0.89
Kremikovtzi	4KW	1.172	1	816	21 702 563	n/a	n/a
Alcomet	6AM	3	2.9	4434	53 858 877	30.27	0.78
Svilosa	3MZ	1.461	1.34	1002	46 393 973	n/a	0.95
Orgachim	5ORG	95.867	99.776	195	48 203 366	26.49	0.67
Neochim	3NB	68.303	66.5	292	181 300 614	3.24	1.38
Biovet	53B	6.189	5.329	311	41 982 326	190.83	0.72
Fazerles	4F6	64.432	66	19	33 182 480	5.53	1.51
Polimeri	51P	2.226	2	11025	11 852 366	n/a	0.06
Kauchuk	4KU	33.7	30.21	183	31 748 467	46.01	1.37

CYCLICAL CONSUMER SECTOR		Daily Average Price	Previous Close	Volume	Market Capitalization	Valuation Ratios (ttm)	
Company	Ticker	Price	Close			P/E	P/B
Albena	6AB	36.03	36.551	10	153 960 730	7	0.54
T oplivo	3TV	8.056	8.29	1642	43 637 974	4.39	0.32
Zlatni Pyasatsi	3ZL	3.015	2.8	10	19 578 135	n/a	0.20
Katex	5KTE	3.675	3.5	10	8 980 377	0.62	0.12
Slanchev Bryag	3JL	n/a	6.44	0	12 608 284	n/a	0.14
Pamporovo	4PN	n/a	2.1	0	6 241 380	n/a	0.27
SS Konstantine And Elena Holding	3NJ	15.324	16.8	446	35 391 713	17.45	1.76

ENERGY SECTOR		Daily Average Price	Previous Close	Volume	Market Capitalization	Valuation Ratios (ttm)	
Company	Ticker	Price	Close			P/E	P/B
Petrol	5PET	7.82	7.45	25	854 331 966	3.8	3.32
Oil & Gas Exploration & Production	4O1	4.456	4.299	5592	54 488 244	8.63	1.12

OTHER		Daily Average Price	Previous Close	Volume	Market Capitalization	Valuation Ratios (ttm)	
Company	Ticker	Price	Close			P/E	P/B
Bulgarian Telecommunication Company	5BT	6	6	100	3 392 986 870	26.11	2.84
Sopharma	3JR	7.13	7.12	12700	941 160 000	33.2	4.81
Blagoevgrad BT	55B	39.999	40	26	154 076 708	10.43	0.80

**Disclaimer**

**Analyst Certification:** The research analyst(s) certifies that: (1) all of the views expressed in this document accurately reflect his or her personal views about any and all of the subject securities or issuers; (2) no part of any of the research analyst's compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed by the research analyst(s) in this document.

**Financial Interest:** ELANA Trading may trade or own shares of the analyzed companies. The research analyst(s) is not holding shares of the analyzed companies, unless otherwise noted.

**Regulatory Authority:** Financial Supervisory Commission, *Shar Planina* Street 33, 1303 Sofia, Bulgaria

**Information Disclosure:** All reasonable care has been taken to ensure the facts stated are accurate and opinions given are fair and reasonable. Our recommendations are based on information available to the public that we consider to be reliable but for the completeness and accuracy of which we assume no liability. Neither ELANA Trading, nor its directors, officers or employees shall in any way be responsible for its contents. The views expressed may differ from the views of other firm departments or representatives. Additional information is available upon request. Unless otherwise noted, sources for all information in charts and tables are ELANA Trading's calculations.

**Risks for Investors:** Information in this document should not be regarded as an offer to buy or sell any financial instruments. The investment possibilities discussed in this document may not be suitable for certain investors depending on their specific investment objectives and time horizon or in the context of their overall financial situation. In particular, the risks associated with an investment in the securities or the financial instruments under discussion are not explained in its entirety. The prices or values of the securities may go down as well as up and can fluctuate and fall against the investor. The securities or investments may cause the investor to lose the amount invested. Past performance is not a guide to future performance. Changes in exchange rates may have an adverse effect on the value, price or income of the securities or investments.

**Valuation Methods:** Company valuations are based on the following methods: multiple-based (P/E, P/B, EV/EBITDA), historical valuation approaches, peer comparisons, discount models (DCF, DDM) or asset-based evaluation methods. Valuation models are dependent on macroeconomic factors, including interest rates, foreign exchange rates, prices of raw materials, and any expectations about the economy, the market sentiment. The valuation is based on expectations that might change rapidly and without notice, depending on developments specific to individual industries and countries. Recommendations and target prices derived from the models might therefore change accordingly. The application of models depends on forecasts of a range of economic variables, thus there is a range of reasonable variations within models. Any valuation is dependent upon inputs that are based on the subjective opinion of the analysts carrying out this valuation.

**Recommendations:** Analyst(s) recommendations are based on the specific factors for the company, sector, country and global developments, as compared to market indices. Recommendations and opinions reflect ELANA Trading's expectations over the 12-month period following publication from the perspective of long-only investment clients. ELANA Trading reserves the right to express different or contrary recommendations and opinions for different timescales or for other types of investment client. Except as otherwise noted, expected performance over next 12 months vary for different recommendations for Bulgarian stocks as follows:

<b>Outperform</b>	More than 5% higher as compared to SOFIX and BG40 performance
<b>Market Perform</b>	Market performance, +/-5% as compared to SOFIX and BG40
<b>Underperform</b>	More than 5% lower as compared to SOFIX and BG40 performance

**Frequency of Recommendations:** No schedule of recommendations is available. The frequency of recommendations depends on specific factors to individual companies and the opinion of the analyst(s) for the necessity of minor or major changes.

For more information about the current recommendations, please visit ELANA Trading web page: [http://www.elana.net/analysis/reports/bul\\_f\\_pazar\\_7/LIST\\_Recommendations.pdf](http://www.elana.net/analysis/reports/bul_f_pazar_7/LIST_Recommendations.pdf)

**For more information, please contact:**

Research analyst  
Tsvetoslav Tsachev  
Tamara Becheva

Phone:  
+359 2 810 00 23  
+359 2 810 07 23

E-mail:  
[tsachev@elana.net](mailto:tsachev@elana.net)  
[becheva@elana.net](mailto:becheva@elana.net)

Internet:  
[www.elana.net](http://www.elana.net)  
[www.elana.net](http://www.elana.net)